

HOUSE BILL NO. 68
INTRODUCED BY C. KAUFMANN
BY REQUEST OF THE DEPARTMENT OF JUSTICE

EXHIBIT 3
DATE 1/25/07
HB 68

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A REGISTRATION SYSTEM FOR CHARITIES; PROVIDING PENALTIES FOR FAILURE TO REGISTER; AND PROVIDING A DELAYED EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Short title. [Sections 1 through 4] may be cited as the "Montana Registration of Charities Act."

NEW SECTION. Section 2. Definitions. As used in [sections 1 through 4], the following definitions apply:

(1) (a) "Charity" means any corporation authorized under this chapter seeking donations in Montana for the benefit of others. ~~public benefit company registered with the secretary of state or any person or entity seeking donations in Montana for the benefit of others.~~

(b) The term does not include governmental entities or political entities that are registered with the commissioner of political practices.

(2) "Department" means the department of justice provided for in 2-15-2001.

(3) "Seeking donations" means requests for a gift of cash, services, or goods.

(4) "Unified registration statement" means the multistate form designed by the national association of attorneys general and the national association of state charity officials.

NEW SECTION. Section 3. Registration requirement – rules. (1) Each charity shall fill out and file the unified registration statement with the department as part of the annual report required by 35-2-904. Each charity may request and receive an automatic 90 day extension of time to file the unified registration statement or alternative form to the unified registration statement every year within 4 1/2 months of the end of the fiscal year.

(2) The department may adopt rules to allow filing of an alternative form to the unified registration statement, coordinate the filing process with the secretary of state, and set a filing fee not to exceed \$10. ~~set other requirements for registration. The rules may include the filing of additional documents and a filing fee that is commensurate with the costs of administering [sections 1 through 4].~~

(3) Charities with \$25,000 or less in gross annual revenue are exempt from the registration requirement of subsection (1).

~~NEW SECTION. Section 4. Failure to register.~~ A charity that fails to register or comply with the requirements of [sections 1 through 4] is liable for a civil penalty of \$5 for each day in which the charity is not registered, not to exceed a total of \$1,000 for each year that the charity transacts business in this state without a certificate of registration. The attorney general may collect all penalties due under this section.

NEW SECTION. Section 54. Codification instruction. [Sections 1 through 4] are intended to be codified as an integral part of Title 35, chapter 2, part 9 Title 30, chapter 14, and the provisions of Title 35, chapter 2, part 9 Title 30, chapter 14, apply to [sections 1 through 34].

NEW SECTION. Section 65. Effective date. [This act] is effective July 1, 2008.

- END -

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- (2) "Department" means the department of justice provided for in 2-15-2001.
- (3) "Seeking donations" means requests for a gift of cash, services, or goods.
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NEW SECTION. **Section 3. Registration requirement -- rules.** (1) Each charity shall fill out and file the unified registration statement with the department as part of the annual report required by 35-2-904. Each charity may request and receive an automatic 90 day extension of time to file the unified registration statement or alternative form to the unified registration statement..

(2) The department may adopt rules to allow filing of an alternative form to the unified registration statement, coordinate the filing process with the secretary of state, and set a filing fee not to exceed \$10..

(3) Charities with \$25,000 or less in gross annual revenue are exempt from the registration requirement of subsection (1).

NEW SECTION. **Section 4. Codification instruction.** [Sections 1 through 4] are intended to be codified as an integral part of Title 35, chapter 2, part 9, and the provisions of Title 35, chapter 2, part 9, apply to [sections 1 through 3].

NEW SECTION. **Section 5. Effective date.** [This act] is effective July 1, 2008.

- END -